

1 Amend regulation 18531.6 to read:

2
3 **18531.6. Treatment of Debts Outstanding After an Election – Prior to January 24, 2004.**

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5 The provisions of this regulation apply to contributions accepted by a committee prior to
6 January 24, 2004. For rules regarding the treatment of contributions accepted on or after January
7 24, 2004, see regulation 18531.61.

8 (a) Pre-2001 Elections. Government Code section 85316 does not apply to a candidate
9 for elective state office in an election held prior to January 1, 2001.

10 (1) There are no contribution limits in effect for elections held prior to January 1,
11 2001 for contributions made on or after January 1, 2001.

12 (2) Contributions for an election held prior to January 1, 2001 may be accepted in
13 an amount that exceeds net debts outstanding.

14 (b) 2001 and Subsequent Elections. Government Code section 85316 applies to a
15 candidate for elective state office in an election held on or after January 1, 2001, as follows:

16 (1) The contribution limits of Government Code sections 85301 and 85302 apply
17 to any candidate controlled committee formed on or after January 1, 2001, whether the
18 committee is designated for an election held pre- or post-January 1, 2001.

19 (2) Beginning January 1, 2001, contributions received by any candidate
20 controlled committee formed prior to January 1, 2001, for an election held after January 1, 2001,
21 are subject to the limits of Government Code sections 85301 and 85302.

22 (3) Transfers to a committee formed for an election held on or after January 1,
23 2001, are subject to the requirements of 2 Cal. Code Regs. section 18536.

24 (c) A candidate for elective state office subject to subdivision (b) of this regulation
25 may use contributions accepted pursuant to Government Code section 85316 only for payment

1 of net debts outstanding for an election.

2 (d) For purposes of this section, “net debts outstanding” includes the following:

3 (1) An amount necessary to cover the cost of raising funds as permitted under
4 this section;

5 (2) Any costs associated with complying with the post-election requirements of
6 this Title and other necessary administrative costs associated with winding down the campaign,
7 including office space rental, staff salaries, and office supplies; and

8 (3) The total amount of unpaid debts, loans and accrued expenditures incurred
9 with respect to an election, less the sum of:

10 (A) The total cash on hand available to pay those debts and obligations,
11 including: currency; balances on deposit in banks, savings and loan institutions, and other
12 depository institutions; traveler’s checks; certificates of deposit; treasury bills; and any other
13 committee investments valued at fair market value; and

14 (B) The total amounts owed to the candidate controlled committee in the
15 form of credits, refunds of deposits, returns, or receivables, or a commercially reasonable amount
16 based on the collectibility of those credits, refunds, returns, or receivables.

17 The amount of the net debts outstanding shall be reduced as additional funds are
18 received. The candidate and his or her controlled committee(s) may accept contributions made
19 after the date of an election, if such contributions do not exceed the amount of net debts
20 outstanding on the date the contribution is received. Any contribution that exceeds the amount
21 of net debts outstanding shall be treated in the same manner as a contribution in excess of the
22 contribution limits.

(e) Notwithstanding subdivision (b), this regulation does not apply to a candidate for statewide elective office in an election held before November 6, 2002.

NOTE: Authority cited: Section 83112, Government Code.
Reference: Section 83 of Proposition 34, and Sections 85201, 85301-85302, 85306, 85316, 85317, 85318 and 85321, Government Code.

Finding of Emergency

The Fair Political Practices Commission finds that an emergency exists and that amendment of the foregoing regulation is necessary for the immediate preservation of the public peace, health, safety or general welfare. A statement of the facts constituting such emergency is:

Statement of Facts

On November 7, 2000, the voters approved Proposition 34, which makes significant additions and amendments to the Political Reform Act (Government Code section 81000 et seq.). The statutory changes affect the conduct of the political process at the state and local level, and also similarly affect the exercise of political rights by individuals, parties and organizations. Clarification and orderly implementation of these statutory changes by the Commission in emergency regulations are necessary to minimize disruption of the political process.

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